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Via UPS Overnight

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Department of the Interior
Minerals Management Service
ATTN: Regulations and Standards Branch (RSB)
381 Elden Street, MS-4024
Herndon, Virginia 20170-4817

SUBJECT: RIN 1010-AD11.
30 CFR Parts 250, 253, 254, and 256
Oil and Gas and Sulfur Operations in the Outer Continental Shelf
Pipelines and Pipeline Rights-of-Way: Proposed Rule

Ladies and Gentlemen:

Shell Pipeline Company LP (SPLC) appreciates this opportunity to provide written comments on the proposed rule to amend regulations in 30 CFR250 Subpart J regarding pipelines and pipeline rights of way associated with the Outer Continental Shelf oil and gas and sulfur operations. SPLC owns and operates an infrastructure of approximately 1,800 miles of subsea crude oil and gas transportation pipelines in the Gulf of Mexico. The SPLC comments herein should not be confused with or considered a duplicate of the comments submitted by Shell Offshore Inc. (SOI). SOI is an oil and gas producer, which operates production related pipelines; whereas, SPLC is a transmission company, which operates transmission pipelines. The two infrastructures are operated by separate and distinct companies.

SPLC supports the effort that the MMS has made to enhance safety and protect the environment while at the same time endeavoring to create a more clear, comprehensive and detailed rule. The comments respectfully submitted herein express our concerns regarding the impact of the proposed rule to pipeline regulation in general, as well as our concerns regarding the impact of the proposed rule, specifically to subsea transportation pipeline system operators. There are several major points for which SPLC would like to address:

1. Added applications and notifications: A review of the general section in the proposed rule suggests that there will be some 27 added applications, information requests, plans, or notifications required. Though some of these submittals were required by existing NTL's and LTL's, many are new and SPLC maintains concerns that such an increase in information requests will add a significant administrative burden to both the MMS and the operator. Further, our review found that the timelines for the required submittals have in many cases been shortened by 30 to 45 days. We do concur that today's technology often allows for more expedient information development and transfer; however, adding submittals and shortening deadlines on an already burdened process will certainly have significant cost and resource impacts.

2. DOT verses DOI jurisdiction: In general, SPLC's opinion is that the existing practice of DOT regulating transportation pipeline operators and DOI regulating the producer pipeline operators has worked well in the past and should continue. However, it is our opinion that this proposed rule raises more questions than answers and blurs the distinction between the two. This proposed rule provides an excellent opportunity to define the differences between DOT and DOI regulated pipelines. The final rule should make it clear to avoid future confusion, misapplication, and/or duplication of effort. SPLC urges the MMS to coordinate this proposed rule with DOT.
3. Significant Rule: SPLC agrees with INGAA's comments, presented at the MMS Workshop of 02/22/08, that this proposed rulemaking is significant. Due to time constraints for submittal of review comments, SPLC is unable to define exact costs impact. However, estimates are that the impact could be well in excess of \$100 million and that compliance with the Executive Order 12866 should apply.
4. Certified Verification Agent: The CVA process for an SCR is too restrictive and not practical. Requiring MMS approval for each stage before beginning the next stage will extend project time and costs significantly. Also, there is a concern based on recent experience that CVA process has shown tendencies to replicate design calculations. The intent of the CVA should be that of verification for what is performed based on the submitted plan, industry standards, and regulatory requirements.
5. ROW Pipeline vs. Pipeline ROW: The subtle difference in wording between "ROW Pipeline" and "Pipeline ROW" may lead to large-scale confusion. SPLC agrees MMS should have jurisdiction over pipeline ROW in the OCS for all pipelines, but for DOT regulated pipelines the MMS should not regulate the pipelines and pipeline facilities themselves. The terms *ROW Pipeline* and *All OCS Pipelines* used throughout the proposed regulations could lead one to believe MMS is regulating both pipelines and ROW. DOT parts 192 and 195 already adequately cover the design, construction, operations and repair activities of DOT regulated pipelines. To further illustrate this concern, if MMS were to regulate DOT pipelines, the current and the proposed MMS regulations would need to be revised to reference liquid pipeline code B31.4. Currently, only gas pipeline codes are referenced and some of these references are not consistent with the most current revision of B31.8.
6. Conflicting/Duplicative Requirements: DOT parts 192 and 195 currently requires all of the written procedures/plans noted in section 250.1079. Additional plans would be duplicative and could create conflicts and confusion. The Integrity Management Program (IMP) for instance as outlined in the NPRM would require a baseline assessment on each pipeline, while the current DOT requirement is only for pipelines affecting High Consequence Areas (HCA's). The general nature of this requirement for IMP and the other written procedures will make it difficult for operators to comply in a consistent manor and for anyone to make detailed comments on the rule as they pertain to these requirements. For example: Will the original hydrotest conducted 15 years ago suffice for a baseline with a planned re-assessment every 30 years, or will a new baseline test be required and a maximum interval of 5 years be

established similar to the DOT IMP requirements? As you can appreciate, these two scenarios create a very different level of concern for the impact of this regulation on DOT operators.

7. 250.1030 – Environmental Impact Analysis: Currently, this has not been required regarding DOT ROW Pipelines. It appears this proposed rule would require EIA's apply to repairs, modifications, etc. and would be a major administrative burden. SPLC would suggest this not apply to routine maintenance, repairs, or modifications of any ROW pipelines.
8. In addition to the concerns discussed above, SPLC provided input to and is supportive of the comments submitted by the Offshore Operators Committee.

In summary, SPLC would request that MMS address industry comments, clarify the DOT vs. DOI issue, and allow a final comment period prior to issuing a final rule. This would minimize potential conflicts of jurisdiction and maximize effectiveness of the final rulemaking.

Again, SPLC appreciates this opportunity to provide feedback to the MMS. We thank you for your consideration of these comments. If you have questions or need clarity regarding this feedback, please contact Sharon L. Bevers, at 713-241-0457, or e-mail Sharon.L.Bevers@shell.com.

Sincerely,



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Shell Pipeline Company LP